

**UNITED STATES DISTRICT COURT FOR THE
SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION**

UNITED STATES OF AMERICA,

Plaintiff,

Judge Beckwith
Magistrate Judge Hogan

vs.

Case No. C-1-01-486

CINCINNATI REDS, a limited partnership,

Defendant.

JOINT STATUS REPORT

Plaintiff United States of America and defendant Cincinnati Reds, by their undersigned attorneys, make this joint status report pursuant to this Court's Order dated November 26, 2001.

The parties described the status of settlement negotiations in their Joint Motion to Stay Proceedings Pending Settlement, filed November 20, 2001, and in their monthly Joint Status Reports thereafter. The contemplated settlement would resolve this case and numerous cases in other venues (all of which are effectively stayed) and many administrative claims that are either pending before the Internal Revenue Service or that are likely to be filed with the IRS in the future.

Negotiators for all Major League Baseball Clubs, the United States Department of Justice and the Internal Revenue Service have prepared a draft settlement document that contains more than 20 pages of single-spaced text, with a few hundred pages of attachments. Since December 2, 2003, when negotiators for the Clubs sent a set of suggestions for resolving all differences to the Government, the negotiators for the two sides have had several telephone

conferences intended to resolve remaining differences. A new summary draft, containing the points the two sides have agreed on and the Clubs' suggestions for resolving the remaining issues, was sent to the Government last week. The initial response of the Department of Justice was favorable, and negotiators for the Clubs hope a final draft will be agreed upon by the negotiators in the very near future. The magnitude of the settlement, the number of issues that must be resolved in the settlement agreement and the Government's protocol for reviewing settlement offers in large tax cases explain why more time is needed to finish the task.

The parties continue to believe that proceeding with this litigation would not be a judicious use of the Court's or the parties' resources. They therefore jointly ask the Court to make no change in the November 26, 2001 Order staying proceedings.

Dated: January 30, 2004

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CERTIFICATE OF SERVICE

I hereby certify that on this 30th day of January, 2004, I caused a copy of the foregoing document to be sent to Alejandro L. Bertoldo, Trial Attorney, Tax Division, U.S. Department of Justice, P.O. Box 55, Ben Franklin Station, Washington, D.C. 20044 by electronic mail.

/s/ R. Joseph Parker
R. Joseph Parker